

Liupakka Decl. Ex. 25

Guest Service

From: Stephen Hilbert [Stephen.Hilbert@mhequity.com]
Sent: Tuesday, March 05, 2013 12:24 PM
To: pliupakka@msn.com; john@menard-inc.com
Subject: FUND 2
Attachments: 2009 invoice and capital call notice.pdf; 2010 invoice and capital call notice.pdf

MARCH 5, 2013

MH PRIVATE EQUITY FUND II, LLC
Merchant Capital, LLC, Acting Manager
c/o Menard, Inc.
4777 Menard Drive
Eau Claire, WI 54703
ATTN: John R. Menard, Jr.; Pete Liupakka

RE: INVOICE FOR MANAGEMENT FEES DUE AUGUST 31, 2010

In accordance with Section 5.6 of the First Amendment to the Operating Agreement (the "Agreement") of MH Private Equity Fund II, LLC (the "Fund") dated May 6, 2009, MH Equity Managing Member II, LLC ("Manager II") hereby invoices the Fund for payment of management fees in the amount of One Million Thirty-Six Thousand Four Hundred Forty-Eight Dollars (\$1,036,448). This amount represents a correction of the management fees previously paid by the Fund relative to the management fee applicable to the year beginning August 31, 2010 as shown on the attached calculation. The correction was required because the examination by the Internal Revenue Service determined that the \$200 million Centaur Note should not have been charged off until 2011. In accordance with Section 5.6(b), since the Centaur Note was not written off as of August 31, 2010, it remained a part of "...purchase price paid by Fund I and Fund II for all securities of or other investments in Portfolio Companies held by Fund I and Fund II ..." at that date. The management fee for the year beginning August 31, 2010 was previously computed as though the Centaur Note was no longer held at that date.

The amount of this correction of the management fee for 2010 is due from Fund II to Manager II. We are attaching wiring instructions so the \$1,036,448 can be wired directly to Manager II.

Capitalized terms used in this notice are defined in the Operating Agreement as amended of MH Private Equity Fund II, LLC.

If there are any questions on this matter, please contact Rollin M. Dick.

MH EQUITY MANAGING MEMBER II, LLC

By 

Stephen C. Hilbert
President and CEO

MH PRIVATE EQUITY FUND II, LLC

**MANAGEMENT FEE FOR THE MANAGEMENT FEE YEAR BEGINNING AUGUST 31, 2010,
CALCULATED IN ACCORDANCE WITH SECTION 5.6 OF THE OPERATING AGREEMENT
AS CORRECTED FEBRUARY 28, 2013**

1.36% of the following per Section 5.6(b)B(i):

Purchase Price Paid for all securities held:

ORBCOMM	11,819,005
UMG	40,092,500
Sunshine (initial investment)	128,410,000
Sunshine (additional for CalTan)	38,500,000
Sunshine (additional for Designer Skin)	30,000,000
Entertainment	35,118,431
Centaur Note	200,000,000
Centaur Bonds	7,497,678

Total	491,437,614
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1.36% thereof	6,683,552
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Maximum permitted annual fee	5,000,000
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Less fee previously paid, net of credit allowed on fee for 2011	3,963,552
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Balance due from MH Equity Fund II LLC	1,036,448
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MH PRIVATE EQUITY FUND II, LLC
CAPITAL CALL NOTICE
MARCH 5, 2013

Merchant Capital, LLC
c/o Menard, Inc.
4777 Menard Drive
Eau Claire, WI 54703
ATTN: John R. Menard, Jr.; Pete Liupakka

In accordance with Section 5.3 of the First Amendment to the Operating Agreement (the "Agreement") of MH Private Equity Fund II, LLC (the "Fund") dated May 6, 2009, MH Equity Managing Member II, LLC ("Manager II") hereby calls for Merchant Capital, LLC, the Menard Member of that Fund, to make a capital contribution to the Fund of One Million Thirty-Six Thousand Four Hundred Forty-Eight Dollars (\$1,036,448). This amount represents a correction of the capital previously contributed by you relative to the management fee applicable to the year beginning August 31, 2010 as shown on the attached calculation. The correction was required because the examination by the Internal Revenue Service determined that the \$200 million Centaur Note should not have been charged off until 2011. In accordance with Section 5.6(b), since the Centaur Note was not written off as of August 31, 2010, it remained a part of "...purchase price paid by Fund I and Fund II for all securities of or other investments in Portfolio Companies held by Fund I and Fund II ..." at that date. The management fee for the year beginning August 31, 2010 was previously computed as though the Centaur Note was no longer held at that date.

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Capitalized terms used in this notice are defined in the Operating Agreement as amended of MH Private Equity Fund II, LLC.

If there are any questions on this matter, please contact Rollin M. Dick.

MH EQUITY MANAGING MEMBER II, LLC

By 

Stephen C. Hilbert
President and CEO

MH PRIVATE EQUITY FUND II, LLC

**MANAGEMENT FEE FOR THE MANAGEMENT FEE YEAR BEGINNING AUGUST 31, 2010,
CALCULATED IN ACCORDANCE WITH SECTION 5.6 OF THE OPERATING AGREEMENT
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Balance due from MH Equity Fund II LLC	1,036,448
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